

State of Alaska FY2007 Governor's Operating Budget

Department of Health and Social Services Administrative Support Services Component Budget Summary

Component: Administrative Support Services

Contribution to Department's Mission

To provide quality administrative services that support the department's programs.

Core Services

- Financial management of all programs within the department.
- Timely fiscal payments for all bills, travel and other payables.
- Accurate and timely federal claims and reporting for the almost \$1 billion in federal funds collected every year.
- Provide the full range of purchasing and grant management services.
- Coordinate all budget activities within the department.

FY2007 Resources Allocated to Achieve Results

| | | |
|--|-------------------|------------|
| FY2007 Component Budget: \$16,755,500 | Personnel: | |
| | Full time | 164 |
| | Part time | 0 |
| | Total | 164 |

Key Component Challenges

Activities within this component are key to the success of the entire Finance and Management unit within the Commissioner's Office. A primary challenge for this new organization is to stabilize processes and functions within the department, while improving the efficiency and effectiveness of all administrative support areas.

Other challenges include:

- Grant and Contract administration processes need to be more efficient and improved.
- Managing Medicaid budget for both short and long-term forecasting.
- Implementation of State Travel Office has been difficult and initially has not shown any saving of money.
- Implementation of improvements as outlined in the Business Process Reviews that have been recently completed for revenue and fiscal areas.
- The DHSS Revenue Management System is cumbersome and needs replacement, reengineering work and changes in process need to occur.

Significant Changes in Results to be Delivered in FY2007

Resources for revenue management and nursing will be enhanced.

Major Component Accomplishments in 2005

Budget Section:

- Awarded contract and began work on the Long-Term Medicaid Projection report and database project.
- Tracked and responded to 236 legislative/budget inquiries.
- Developed and distributed the DHSS FY06 Budget Overview for legislative discussions.
- Developed and implemented an operating budget of over \$1.7 billion.

- Utilized internal monthly expenditure/revenue tracking to identify and adjust potential problem areas earlier in the fiscal year.
- Began implementation of business process review recommendations for budget processes.
- Developed plan for upgrading internal JUCE relational database used for Medicaid cost and caseload reporting and budget projections in order to streamline reporting timeframes and improve data quality.
- Coordinated Performance Measure reporting within the Department and served as liaison with the Office of Management and Budget.
- Successfully implemented Medicaid Budget Group into the organization, improving the budget information.

Finance Section:

- A new Public Assistance Cost Allocation Plan is 99% approved by the Federal Division of Cost Allocation (FDCA).
- Participated and coordinated negotiations with FDCA for Public Assistance Cost Allocation Plan approval.
- Kept up with large volumes of DHSS billings throughout the year.
- Implemented federal on-line reporting system for Title IV-E, Child Care Development Fund (CCDF) and U.S. Department of Agriculture (USDA) federal programs.

Grants and Contracts Unit:

- Completed Phase I of grants database (eGrants) which includes the document management portion.
- 100% success in all four protests received regarding professional services and commodities contracts that were awarded in FY05.
- Responded to 15 grant award appeals successfully with none being referred to hearings or overturned.
- Completed the Health and Social Services FY05 Operating Grants booklet.
- Issued 782 FY05 grant awards totaling over \$137 million.

Audit Unit:

- Reconciled and settled 480 department grants.
- Recovered \$785,000 of unexpended and/or misspent grant funds.
- Provided sub recipient monitoring of 120 department grantees.
- Provided staff time as requested to the Division of Legislative Audit to assist with the department federal compliance audit.
- Facilitated update of DHSS state single audit compliance supplement.
- Facilitated compilation of DHSS federal sub recipient list of Division of Finance.

Statutory and Regulatory Authority

AS 37.05 Public Finance, Fiscal Procedures Act
AS 37.07 Public Finance, Executive Budget Act
AS 37.10 Public Finance, Public Funds
AS 36.30 Public Contracts, State Procurement Code

| Contact Information |
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Administrative Support Services Component Financial Summary

All dollars shown in thousands

| | FY2005 Actuals | FY2006 Management Plan | FY2007 Governor |
|--|----------------|---------------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 8,131.3 | 10,759.9 | 11,834.5 |
| 72000 Travel | 48.4 | 30.4 | 32.4 |
| 73000 Services | 1,108.9 | 2,459.2 | 4,795.4 |
| 74000 Commodities | 187.4 | 50.4 | 51.4 |
| 75000 Capital Outlay | 12.3 | 41.0 | 41.0 |
| 77000 Grants, Benefits | 40.0 | 0.8 | 0.8 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 9,528.3 | 13,341.7 | 16,755.5 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 3,987.4 | 6,253.9 | 6,537.2 |
| 1003 General Fund Match | 1,428.5 | 1,731.4 | 1,835.1 |
| 1004 General Fund Receipts | 1,865.8 | 3,282.0 | 6,290.1 |
| 1007 Inter-Agency Receipts | 1,698.1 | 1,441.7 | 1,441.7 |
| 1037 General Fund / Mental Health | 296.4 | 375.6 | 394.3 |
| 1061 Capital Improvement Project Receipts | 52.0 | 52.3 | 52.3 |
| 1108 Statutory Designated Program Receipts | 154.5 | 154.5 | 154.5 |
| 1156 Receipt Supported Services | 45.6 | 50.3 | 50.3 |
| Funding Totals | 9,528.3 | 13,341.7 | 16,755.5 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2005 Actuals | FY2006 Management Plan | FY2007 Governor |
|--|------------------------------|-------------------|------------------------------|--------------------|
| Unrestricted Revenues | | | | |
| None. | | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | |
| Federal Receipts | 51010 | 3,987.4 | 6,253.9 | 6,537.2 |
| Interagency Receipts | 51015 | 1,698.1 | 1,441.7 | 1,441.7 |
| Statutory Designated Program Receipts | 51063 | 154.5 | 154.5 | 154.5 |
| Receipt Supported Services | 51073 | 45.6 | 50.3 | 50.3 |
| Capital Improvement Project Receipts | 51200 | 52.0 | 52.3 | 52.3 |
| Restricted Total | | 5,937.6 | 7,952.7 | 8,236.0 |
| Total Estimated Revenues | | 5,937.6 | 7,952.7 | 8,236.0 |

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2006 Management Plan | 5,389.0 | 6,253.9 | 1,698.8 | 13,341.7 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer funds from Governor's Council on Disabilities & Special Education for PCN 06-2196 | 0.0 | 96.7 | 0.0 | 96.7 |
| -Transfer PCN 06-0626 and Associated Risk Management Self-Insurance Funding Increase from Medicaid School Based Claims | 0.0 | 0.8 | 0.0 | 0.8 |
| -FY 07 Wage Increases for Bargaining Units and Non-Covered Employees | 148.5 | 43.9 | 0.0 | 192.4 |
| -FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees | 21.3 | 6.2 | 0.0 | 27.5 |
| -FY 07 Retirement Systems Cost Increase | 278.7 | 82.9 | 0.0 | 361.6 |
| -FY2007 Wage, Health Insurance, Retirement, and Risk Management Increases for Division of Personnel | 193.8 | 0.0 | 0.0 | 193.8 |
| Proposed budget increases: | | | | |
| -Improve Revenue Management/Cost Allocation System | 310.0 | 0.0 | 0.0 | 310.0 |
| -Risk Management Self-Insurance Funding Increase | 62.9 | 52.8 | 0.0 | 115.7 |
| -Salary Increases for DHSS Nurses | 2,115.3 | 0.0 | 0.0 | 2,115.3 |
| FY2007 Governor | 8,519.5 | 6,537.2 | 1,698.8 | 16,755.5 |

Administrative Support Services Personal Services Information

| Authorized Positions | | | Personal Services Costs | |
|----------------------|---|----------------------------------|--------------------------------|-------------------|
| | <u>FY2006</u> <u>Management</u> <u>Plan</u> | <u>FY2007</u> <u>Governor</u> | | |
| Full-time | 160 | 164 | Annual Salaries | 7,735,298 |
| Part-time | 0 | 0 | COLA | 213,962 |
| Nonpermanent | 0 | 0 | Premium Pay | 17,393 |
| | | | Annual Benefits | 4,641,535 |
| | | | Less 6.14% Vacancy Factor | (773,688) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 160 | 164 | Total Personal Services | 11,834,500 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-----------------------------|-----------|-----------|--------|--------|-------|
| Accountant II | 0 | 0 | 3 | 0 | 3 |
| Accountant III | 1 | 0 | 9 | 0 | 10 |
| Accountant IV | 1 | 0 | 4 | 0 | 5 |
| Accountant V | 0 | 0 | 3 | 0 | 3 |
| Accounting Clerk I | 1 | 0 | 0 | 0 | 1 |
| Accounting Clerk II | 5 | 0 | 11 | 0 | 16 |
| Accounting Spvr II | 1 | 0 | 0 | 0 | 1 |
| Accounting Tech I | 3 | 0 | 6 | 0 | 9 |
| Accounting Tech II | 1 | 0 | 7 | 0 | 8 |
| Accounting Tech III | 1 | 0 | 3 | 0 | 4 |
| Administrative Assistant | 7 | 0 | 8 | 0 | 15 |
| Administrative Clerk II | 3 | 0 | 2 | 0 | 5 |
| Administrative Clerk III | 1 | 0 | 2 | 0 | 3 |
| Administrative Manager I | 0 | 0 | 4 | 0 | 4 |
| Administrative Manager II | 3 | 0 | 6 | 0 | 9 |
| Administrative Manager III | 0 | 0 | 3 | 0 | 3 |
| Administrative Manager IV | 0 | 0 | 6 | 0 | 6 |
| Administrative Svcs Mgr I | 0 | 0 | 2 | 0 | 2 |
| Administrative Svcs Mgr II | 0 | 0 | 1 | 0 | 1 |
| Asst Commissioner | 0 | 0 | 1 | 0 | 1 |
| Coordinator | 0 | 0 | 1 | 0 | 1 |
| Grants Administrator I | 0 | 0 | 9 | 0 | 9 |
| Grants Administrator II | 0 | 0 | 8 | 0 | 8 |
| Grants Administrator III | 0 | 0 | 4 | 0 | 4 |
| Grants Administrator IV | 0 | 0 | 1 | 0 | 1 |
| Health Program Mgr III | 1 | 0 | 0 | 0 | 1 |
| Human Resource Assistant | 1 | 0 | 1 | 0 | 2 |
| Human Resource Technician I | 1 | 0 | 0 | 0 | 1 |
| Internal Auditor III | 0 | 0 | 1 | 0 | 1 |
| Internal Auditor IV | 0 | 0 | 1 | 0 | 1 |
| Mail Svcs Courier | 1 | 0 | 0 | 0 | 1 |
| Procurement Spec I | 2 | 0 | 1 | 0 | 3 |
| Procurement Spec II | 1 | 0 | 1 | 0 | 2 |
| Procurement Spec III | 0 | 0 | 1 | 0 | 1 |
| Prog Coordinator | 0 | 0 | 1 | 0 | 1 |
| Program Budget Analyst I | 0 | 0 | 1 | 0 | 1 |
| Program Budget Analyst III | 0 | 0 | 2 | 0 | 2 |

| Position Classification Summary | | | | | |
|---------------------------------|-----------|-----------|------------|----------|------------|
| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
| Program Budget Analyst IV | 0 | 0 | 4 | 0 | 4 |
| Program Budget Manager | 0 | 0 | 1 | 0 | 1 |
| Project Asst | 0 | 0 | 1 | 0 | 1 |
| Project Coord | 0 | 0 | 2 | 0 | 2 |
| Project Coordinator | 0 | 0 | 3 | 0 | 3 |
| Project Manager | 0 | 0 | 1 | 0 | 1 |
| Research Analyst III | 0 | 0 | 1 | 0 | 1 |
| Research Analyst IV | 0 | 0 | 1 | 0 | 1 |
| Supply Technician I | 0 | 0 | 1 | 0 | 1 |
| Totals | 35 | 0 | 129 | 0 | 164 |